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ALLEVIATING BARCELONA'S PUBLIC HOUSING SHORTAGES THROUGH HISTORIC PROPERTIES

By RYAN ROWBERRY¹

ABSTRACT:

Creating public housing space in Barcelona requires rethinking how its historic properties might maintain their cultural and structural vitality while serving critical social and economic needs. Drawing on programs from the United States, Europe, and China, I suggest two strategies that Catalan officials might use to effectively leverage Barcelona's historic properties to reduce its public housing deficit. The first strategy considers successful financial incentives promoting public housing in historic properties within the United States—the Low Income Housing Tax Credit and the Historic Rehabilitation Tax Credit—and proposes how the Catalan government might find seed money to fund its own historic rehabilitation tax credits. The second strategy analyzes the concept of “adaptive reuse” and suggests four adaptive reuse programs targeting lesser known historic urban assets in Barcelona: (1) historic industrial buildings; (2) adaptive reuse agreements and occupied historic buildings; (3) underutilized historic government buildings; (4) historic subterranean structures.

Key Words: historic properties, public housing, adaptive reuse, tax credits, rehabilitation

Introduction

Barcelona boasts over 2,000 years of settlement.² Nowhere can the ancient origins and oscillating growth of this incredible city be more readily

¹ Ryan Rowberry is an Assistant Professor and Associate Director of the Center for the Comparative Study of Metropolitan Growth at the Georgia State University College of Law. I would like to thank Professor Juli Ponce from the University of Barcelona, Faculty of Law for his unfailing hospitality and kindness during Study Space VII. I also owe a great debt of gratitude to the Catalan academics, government officials, and NGO professionals who answered my many questions: this article is much richer as a result of your generosity.

² JOAN BUSQUETS, *BARCELONA: THE URBAN EVOLUTION OF A COMPACT CITY* 23 (2005).

experienced than by descending into the bowels of the *Museu d'Història de la Ciutat* (City Museum of Barcelona) and winding upward through expertly preserved *in situ* layers of buildings from the original Roman colony, Barcino, eventually exiting into a spectacular compact medieval courtyard nestled near Barcelona's stunning cathedral in the heart of a modern, bustling world-class metropolis.³ This transfixing urban palimpsest of old and new; ancient and modern; tradition and innovation has its roots in an earlier period.

In the early decades of the 19th century, Barcelona underwent a rapid transformation from agriculture to industrialization, becoming, in the words of visiting English gentleman Robert Ford, "the Manchester of Catalonia."⁴ People flocked inside Barcelona's medieval city walls pursuing prosperity—diving into a maze of narrow, jumbled streets, creating dense, deplorable living conditions rivaling the urban cesspits of Victorian England.⁵ Calls were sounded for the demolition of the city walls to allow for urban expansion into the surrounding countryside, which would provide new spaces for industry and a "more rational organisation of residential forms" promoting healthier living.⁶ Eventually, authorities approved Ildefons Cerdà's pioneering plan for Barcelona's expansion (*Eixample*), with its wide, straight boulevards; spacious parks; and octagonal, socially-conducive residential blocks that envelope and preserve Barcelona's largely intact medieval nucleus—the Gothic Quarter.⁷ Barcelona was primed for an incremental, controlled expansion of its populous and industry. But this was not to be. The Spanish Civil War and ensuing dictatorship in the 20th century destabilized the economy and promoted unrestrained migration to Barcelona.⁸ Residential space in Barcelona became precious. Poorly constructed public housing tracts became standard for several neighborhoods in Barcelona and

³ MUSEU D'HISTÒRIA DE BARCELONA, <http://museuhistoria.bcn.cat/en> (last visited Nov. 3, 2014); For an excellent description and analysis of the urban form and growth of Barcelona in the Roman, medieval, and early modern periods, see BUSQUETS, *supra* note 2, at 23-98.

⁴ RICHARD FORD, A HAND-BOOK FOR TRAVELLERS TO SPAIN 43 (1845).

⁵ In the mid-19th century the walled city of Barcelona contained 850 inhabitants per hectare—one of the highest population densities in Europe. BUSQUETS, *supra* note 2, at 117.

⁶ BUSQUETS, *supra* note 2, at 118.

⁷ Cerdà based his plan for the urban expansion of Barcelona on theories of hygiene, circulation, and reshaping the urban form. See Montserrat Pallares-Barbera et al, *Cerdà and Barcelona: The Need for a New City and Service Provision*, 22 URBANI IZZIV 122-136 (2011); BUSQUESTS, *supra* note 2, at 120-33.

⁸ In his seminal work on immigration in Catalonia during the first half of the 20th century, Antoni Jutglar estimates that 45,000 arrived in Barcelona annually. ANTONI JUTGLAR, LA INMIGRACION EN CATALUNA 14 (1968).

across Catalonia,⁹ while shantytowns proliferated on the Barcelona coastline and Montjuïc.¹⁰ Years later, during the transition from dictatorship to democracy in the early 1980s, public housing policy suffered a steady decline in favor of policies promoting home ownership, curtailing public development operations.¹¹

As a result, the need for public housing in Barcelona is a pressing priority.¹² Despite the right to housing being enshrined in the Spanish constitution, many of Barcelona's vulnerable populations are trapped in aging, deteriorated social housing units or simply left to shift for themselves because of the lack of public housing.¹³ This has caused some, particularly unemployed young adults, to form an *Okupa* (squatter) movement in which they congregate in vacant buildings. Recent clashes between squatters at Can Vies and police made international headlines without leading to any resolution.¹⁴ With Spain mired in recession, tensions remain high, as many are unable to pay their mortgages, while Spanish law currently renders defaulters "personally liable for the full

⁹ GENERALITAT DE CATALUNYA, INSTITUT CATALÀ DEL SÒL, VIURE ELS BARRIS: SUBSTITUTE HOUSING PLANS FOR IMPROVEMENT OF URBAN AREAS IN CATALONIA 94, 105 (2nd ed. 2005).

¹⁰ BUSQUETS, *supra* note 2, at 270-71.

¹¹ Lecture from Associate Professor Rafael Fernández, *Housing Problems: Remedies from an Urban Planning Perspective* (6 May 2014); MILOON KOTHARI, PROMOTION AND PROTECTION OF ALL HUMAN RIGHTS, CIVIL, POLITICAL, ECONOMIC, SOCIAL AND CULTURAL RIGHTS, INCLUDING THE RIGHT TO DEVELOPMENT: REPORT OF THE SPECIAL RAPPORTEUR ON ADEQUATE HOUSING AS A COMPONENT OF THE RIGHT TO AN ADEQUATE STANDARD OF LIVING, MISSION TO SPAIN, A/HRC/7/16/Add.2, 7-12 (Feb. 7., 2008); GENERALITAT DE CATALUNYA, *supra* note 8, at 105.

¹² Public housing is also known as "social housing" or "affordable housing."

¹³ Article 47 of the Spanish Constitution states, "All Spaniards are entitled to enjoy decent and adequate housing. The authorities shall promote the necessary conditions and lay down appropriate standards in order to make this right effective, regulating land use in accordance with the general interest in order to prevent speculation. The community shall have a share in the benefits accruing from the town-planning policies of public bodies." For an excellent legal analysis of the force and role of Spain's constitutional right to "decent and adequate" housing, see Juli Ponce, *Land Use Law, Liberalization, and Social Cohesion Through Affordable Housing in Europe: The Spanish Case*, 36 THE URBAN LAWYER 317-40 (2004).

¹⁴ Fiona Govan, *Squat demolition called off after four nights of rioting in Barcelona*, THE TELEGRAPH (May 30, 2014), <http://www.telegraph.co.uk/news/worldnews/europe/spain/10865311/Squat-demolition-called-off-after-four-nights-of-rioting-in-Barcelona.html>; Raphael Minder, *In Spanish Riots, Anguish of Those Recovery Forgot*, N.Y. TIMES (May 30, 2014), http://www.nytimes.com/2014/05/31/world/europe/barcelona-spanish-evictions-lead-to-riots.html?_r=0; Anthony Bain, *The Can Vies Effect*, BARCELONA METROPOLITAN, Aug. 1, 2014, <http://www.barcelona-metropolitan.com/features/the-can-vies-effect/>.

amount of the loan” without the protections or finality of bankruptcy proceedings.¹⁵

Current economic and real estate realities in Barcelona unfortunately offer little hope that Barcelona’s public housing situation will improve dramatically in the near future. Barcelona is Spain’s tourism hub—7.5 million visitors in 2013—and has become a very expensive city in which to live and work, particularly for small business owners.¹⁶ Simultaneously, the booming tourism industry and lure of urban opportunities has attracted scores of domestic and foreign immigrants, increasing the ranks of low-income individuals vying for residential space.¹⁷ According to Joan Batlle, Director of Social Housing Programs at the Catalan Housing Agency, there is a total public rental housing stock of 21,000 units to serve over 7.5 million people in Catalonia; Barcelona alone needs 70,000 public rental units.¹⁸ Of these 21,000 public rental units, one-third are owned and managed by the various municipalities, with the remainder being owned and managed by the Catalan Housing Agency. Catalonia has also placed a moratorium on new construction of public housing.¹⁹

Catalan officials, therefore, face a potent public housing hydra: an increasing low-income population with a legal claim to public housing; a severe deficit in available public housing units; and the inability to create new public

¹⁵ Suzanne Daley, *Leading the Charge Against Spain’s Mortgage Crisis*, N.Y. TIMES (Dec. 20, 2013), <http://www.nytimes.com/2013/12/21/world/europe/leading-the-charge-against-spains-mortgage-crisis.html?pagewanted=all>; Lecture from Dr. Aina Gallego, *The Fight for Rights: Social Movements and the Platform of Affected by Mortgages* (May 9, 2014).

¹⁶ Rent controls over commercial space in the Gothic Quarter of Barcelona are set to expire soon. Many of these family-owned and operated shops will go out of business and give way to international brands who can afford the dramatically increased rent. Xavier Banchs, the owner of family-owned toy shop established in 1936, paid 1,000 Euros per month for rent. As the rent controls on his shop expired, Xavier sold his shop to Geox, an Italian footwear company that will pay 35,000 Euros per month. Raphael Minder, *Historic Loss May Follow Rise of Rents in Barcelona*, N.Y. TIMES (Oct. 19, 2014), <http://www.nytimes.com/2014/10/20/world/europe/historic-loss-may-follow-rise-of-rents-in-barcelona.html>.

¹⁷ AJUNTAMENT DE BARCELONA, DEPARTAMENT D’ESTADÍSTICA, LA POBLACIÓ ESTRANGERA A BARCELONA GENER 2014 12 (2014) available at <http://www.bcn.cat/estadistica/catala/dades/inf/pobest/pobest14/pobest14.pdf>; Stephen Burgen, *Immigration complicates Catalonia’s separatist picture*, THE GUARDIAN (Nov. 20, 2012), <http://www.theguardian.com/world/2012/nov/20/immigration-complicates-catalonia-separatist-picture>.

¹⁸ This figure does not include private subsidized housing (rent control) apartments. Lecture by Dr. Joan Batlle, *Right to the Social Program of Housing* (May 6, 2014).

¹⁹ *Id.*

housing units. To ease the dramatic deficit in public housing, the Catalan Housing Agency creatively tapped into the private rental apartment market, acquiring 9,000 additional apartments.²⁰ While helpful, these private rental units are a fraction of what is needed. Additional strategies also need consideration.

Creating public housing space in Barcelona requires rethinking how its historic properties might maintain their cultural and structural vitality while serving critical social and economic needs.²¹ Drawing on programs from the United States, Europe, and China, I suggest two strategies that Catalan officials might use to effectively leverage Barcelona's historic properties to reduce its public housing deficit. The first strategy considers successful financial incentives promoting public housing in historic properties within the United States—the Low Income Housing Tax Credit and the Historic Rehabilitation Tax Credit—and proposes how the Catalan government might find seed money to fund its own historic rehabilitation tax credits. The second strategy analyzes the concept of “adaptive reuse” and suggests four adaptive reuse programs targeting lesser known historic urban assets in Barcelona.

To be clear, I am not arguing that Barcelona's significant public housing problem can be solved simply by more fully enlisting its historic properties; a solution requires a more comprehensive approach.²² Rather, I recommend that the increased, creative use of historic resources for public housing can assist Catalan officials in tackling a vital social need in this ancient and modern Mediterranean city.

I. Financial Incentives Promoting Public Housing—Tax Credits

To promote public housing in the United States, federal and state governments offer a variety of financial incentives to landlords and housing

²⁰ *Id.*

²¹ UNESCO has recently released a report in English, French, and Spanish detailing cultural heritage development strategies employed by 40 historic cities around the world. UNESCO, *DEVELOPING HISTORIC CITIES: KEYS FOR UNDERSTANDING AND TAKING ACTION* (2014), available at <http://whc.unesco.org/en/news/1153>; see also generally, ANGEL SHLOMO ET AL., *MAKING ROOM FOR A PLANET OF CITIES* (2011), available at <http://www.lincolnst.edu/pubs/1880-Making-Room-for-a-Planet-of-Cities-urban-expansion>.

²² See e.g., UNITED NATIONS GENERAL ASSEMBLY, *THE RIGHT TO ADEQUATE HOUSING*, A/67/286, 1-23 (Aug. 10, 2012); Juli Ponce, *Affordable Housing as Urban Infrastructure: A Comparative Study from a European Perspective*, 42-4/43-1 *THE URBAN LAWYER* 223-45 (2010/2011); Juli Ponce, *Housing Discrimination and Minorities in European Cities: The Catalan Right to Housing Act 2007*, 2 *INTERNATIONAL JOURNAL OF LAW IN THE BUILT ENVIRONMENT* 138-56 (2010); KHOTARI, *supra* note 11, at 1-30.

developers.²³ The primary type of financial incentive used in the United States is a tax credit, which reduces tax liability on a dollar for dollar basis.²⁴ Two particularly successful tax credits are the Low Income Housing Tax Credit (LIHTC) and the Historic Rehabilitation Tax Credit (HRTC). Federal and state governments may offer both types of credits, and importantly, the LIHTC and HRTC can be used together on the same project—creating a substantial financial incentive for developers and/or landlords to rehabilitate historic properties with dedicated units for low-income residents.

A. Low-Income Housing Tax Credit (LIHTC)

The federal LIHTC is a tax incentive for private developers to provide affordable rental housing to low and moderate income families. Each state is allocated a certain amount of federal money for the LIHTC based on the number of residents in the state.²⁵ The state then allocates the federal LIHTC—4% for bond-financed projects or 9% for competitive projects—to developers of qualifying public housing for low-income families. Priority is given to those projects that will serve the lowest income families and be most durable.²⁶ In exchange for receiving a LIHTC, a developer must ensure that either: (a) 20% or more of the total units in a LIHTC project are occupied by people with an income of 50% or less of the area median gross income (AMI);²⁷ or (b) 40% or more of the units are filled by people with an income of 60% or less of the AMI.²⁸

To put these rules into context, suppose that a developer wants to construct a 100 unit building in an area where the AMI is \$50,000. Only if 20

²³ Three examples of these incentives include the HOME Investments Partnerships Program, the Self-Help Home Ownership Opportunity Program, and the National Housing Trust Fund. Information on each of these programs can be found on the website of the U.S. Department of Housing and Urban Development, a federal government agency dedicated to creating strong, sustainable, inclusive communities and providing quality affordable housing. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/ (last visited Nov. 3, 2014).

²⁴ For example, suppose a developer owes \$10,000 in taxes but has received a \$5,000 tax credit. The developer would only owe \$5,000 dollars in taxes. A tax credit is thus distinguishable from a tax deduction, which only reduces a person's total taxable income.

²⁵ U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, *supra* note 23.

²⁶ *Id.*

²⁷ Area gross median income (AMI) is the average income, before taxes, of people living in a designated area.

²⁸ 26 U.S.C. § 42 (2014).

units are reserved for people making \$25,000 or less a year, or if 40 units are reserved for people making \$30,000 or less annually will the project be eligible for the federal LIHTC. Based on the percentage of low-income units provided in a particular housing project, the location of the project, and the extent to which the project is acquired, new, substantially rehabilitated, and/or federally funded, developers are awarded the tax credit of either 4% or 9% percent of their qualified basis²⁹ each year for ten years.³⁰ Developers may sell accrued LIHTCs to investors in exchange for equity to support their projects, thus reducing the developer's debt and allowing the developer to offer public rents.³¹

Individual states have also adopted their own versions of the federal LIHTC, most of which track the federal tax credit.³² However, there are noteworthy variations in state LIHTCs to suit individual state needs. New York's LIHTC, for instance, provides that qualifying public housing units only need to house people with incomes of 90% or less of the AMI.³³ Hawaii's LIHTC provides qualified participants with a state credit worth 50% of the federal LIHTC.³⁴

²⁹ The qualified basis on a project is the eligible basis—construction costs, architectural costs, engineering costs, and rehabilitation costs, but not the cost of acquisition—multiplied by the lesser of (1) the percentage of units used for low-income housing out of total units; or (2) the percentage of square feet used in low-income units out of the total square feet in the project. For example, assume a developer has qualifying costs of \$2,000,000 and provides 50% of the units for low-income housing, covering 60% of the total square feet of the project. The eligible basis is \$2,000,000, and the qualified basis is \$1,000,000 (\$2,000,000 multiplied by 50%). If the developer then receives the 9% LIHTC, it would be for \$90,000 a year (9% of the qualified basis of \$1,000,000) for ten years, for a LIHTC tax credit total of \$900,000. 26 U.S.C. § 42 (2014); U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/raining/web/lihtc/calculating/qualifiedbasis (last visited Nov. 3, 2014).

³⁰ 26 U.S.C. § 42 (2014); U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, *supra* note 28.

³¹ U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/raining/web/lihtc/basics/work (last visited Nov. 3, 2014).

³² GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS, http://www.dca.ga.gov/housing/HousingDevelopment/programs/documents/2014QualifiedAllocationPlanforGovernorSignature_000.pdf (last visited Nov. 3, 2014); MISSOURI HOUSING DEVELOPMENT COMMISSION, http://www.mhdc.com/rental_production/low_inc_tax_pgrm.htm (last visited Nov. 3, 2014).

³³ N.Y. PUB. HOUS. LAW § 21 (Consol. 2012), *available at* <http://www.nyschr.org/Programs/SLIHC/SLIHCstatute.pdf> (last visited Nov. 3, 2014).

³⁴ HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, http://dbedt.hawaii.gov/hhfdc/developers/lihtc_html/ (last visited Nov. 3, 2014).

B. Historic Rehabilitation Tax Credit (HRTC)

The federal HRTC is a close cousin to the federal LIHTC. Administered by the U.S. National Park Service, the federal HRTC provides a tax credit for private developers to rehabilitate or reconstruct historic buildings, thereby preserving heritage and creating affordable housing for low and moderate income families.³⁵ The federal HRTC applies only to buildings used commercially or for residential rental; it does not apply to non-income producing residential buildings such as single-family homes.³⁶ Where it applies, the federal HRTC provides for 20% of qualifying rehabilitation expenses³⁷ made on certified historic structures.³⁸ The federal HRTC also provides a 10% tax credit toward qualified expenses for rehabilitating any building placed in service before 1936.³⁹ Like the federal LIHTC, if a property owner or developer fulfills all requirements and receives a federal HRTC but cannot use the entire tax credit in one year, the excess “may be carried back one year and forward for 20 years.”⁴⁰ Unlike the federal LIHTC, however, the federal HRTC is only transferable under very limited circumstances.⁴¹

Most states have created HRTCs that mirror the federal HRTC, but some states offer an HRTC that is broader than its federal scion.⁴² Wisconsin, for example, has created a powerful, positive historic rehabilitation milieu by providing supplemental state tax credit to the federal HRTC for rental or commercial properties as well as a 25% state tax credit for the rehabilitation of historic non-income-producing personal residences.⁴³ North Carolina is even

³⁵ SARA C. BRONIN & RYAN ROWBERRY, HISTORIC PRESERVATION LAW IN A NUTSHELL 440 (2014); 26 U.S.C. § 47 (2014).

³⁶ 26 U.S.C. § 42 (2014).

³⁷ Examples of qualifying expenses for the credit are developers’ fees, architect’s fees, engineering expenses, construction loan interest, legal fees, site surveys, and insurance premiums, but not the cost of acquiring the building. *See* BRONIN & ROWBERRY, *supra* note 35, at 445.

³⁸ Certified historic structures include buildings designated by the government as being historic as well as those buildings located in historic districts that are recognized as being historically important to those districts. *See* BRONIN & ROWBERRY, *supra* note 35, at 441-42; 26 U.S.C. § 47 (2014).

³⁹ 26 U.S.C. § 47 (2014).

⁴⁰ 26 U.S.C. § 39 (2014).

⁴¹ Transfers may not be made through a direct sale, and may only be made to new owners or qualified investors, provided the old owner did not place the property in service. *See* BRONIN & ROWBERRY, *supra* note 34, at 453.

⁴² BRONIN & ROWBERRY, *supra* note 35, at 455.

⁴³ WISCONSIN HISTORICAL SOCIETY, <http://www.wisconsinhistory.org> (last visited Nov. 3, 2014).

more generous, offering a 30% HRTC for non-income-producing historic houses and a 40% HRTC for homeowner historic mill properties.⁴⁴ State HRTCs typically have more attractive transferability requirements than their federal counterpart.⁴⁵

C. Combining the LIHTC and the HRTC—Public Housing Case Studies

Significantly, the LIHTC and the HRTC may be combined if the requirements for both tax credits are met.⁴⁶ Private developers in several states have combined the LIHTC and the HRTC to rehabilitate historic structures for public housing. An excellent example of this is the rehabilitation of the Sioux City Free Public Library, in Sioux City, Iowa. The library was originally constructed in 1912. After lying derelict and abandoned for several years, the library was rehabilitated in 1996 into the Carnegie Place Apartments, providing low-income housing consisting of one and two-bedroom apartments.⁴⁷

To illustrate how the LIHTC and the HRTC worked together to make the Carnegie Place Apartments project financially feasible to the private market, delving into the numbers is necessary. The Carnegie Place Apartments project had total development costs of \$1,840,875.⁴⁸ Of these total development costs, the qualifying rehabilitation expenditures for purposes of calculating the HRTC were \$1,609,065, and the developers received a 20% HRTC of \$321,813. In contrast, the qualifying expenditures for the LIHTC from the total development costs were \$1,736,062. By reducing the LIHTC qualifying expenditures by the value of the HRTC (\$321,813), the eligible basis of the entire project was totaled \$1,414,249. And the qualified basis matched the eligible basis for LIHTC calculations because 100% of the Carnegie Place Apartment units were slated for

⁴⁴ NORTH CAROLINA STATE HISTORIC PRESERVATION OFFICE, <http://www.hpo.ncdcr.gov/tchome.htm> (last visited Nov. 3, 2014); NORTH CAROLINA STATE HISTORIC PRESERVATION OFFICE, <http://www.hpo.ncdcr.gov/millcredits.htm> (last visited Nov. 3, 2014).

⁴⁵ HRTCs from the state of Missouri, for instance, may be freely sold, assigned, or transferred. MO. REV. STAT. § 253.557 (2014), available at <http://www.moga.mo.gov/mostatutes/stathtml/25300005571.html?&me=253.557>; BRONIN & ROWBERRY, *supra* note 35, at 456-57.

⁴⁶ NATIONAL PARK SERVICE, U.S. DEPT. OF INTERIOR, http://www.nps.gov/tps/tax-incentives/taxdocs/IRS_HRTC_LIHTC.pdf (last visited Nov. 3, 2014).

⁴⁷ Aleca Sullivan, *Case Studies in Affordable Housing Through Historic Preservation: Carnegie Place Apartments, Sioux City, Iowa* 1 (1999), available at <http://www2.cr.nps.gov/tps/tax-incentives/taxdocs/Affordable-Housing-Carnegie-Apts.pdf>.

⁴⁸ *Id.* at 5.

low-income tenants.⁴⁹ The developers thus received 9% of the qualified basis for an annual LIHTC of \$122,050 each year for ten years—a total tax credit of over \$1.2 million.⁵⁰ Pairing the LIHTC and the HRTC made the project, which may not have been attempted otherwise, financially viable. Following completion, Carnegie Place Apartments' units were rented quickly, and the apartments maintain a waiting list because there is lower turnover than in comparable housing.⁵¹ Building upon the success of Carnegie Place Apartments, many other Iowa projects have combined the LIHTC and the HRTC to rehabilitate historic department stores and light industrial buildings for much needed public housing.⁵²

Developers in other states have also successfully combined the LIHTC and the HRTC to provide public housing in historic buildings. For example, the Northern Hotel in Fort Collins, Colorado (constructed in 1879), fell out of use and became derelict. Using the two tax credits, the once dilapidated Northern Hotel was rehabilitated for use as low-income apartments for seniors.⁵³ There is also retail space on the first floor leased by tenants like Starbucks Coffee.⁵⁴ Moving northwest to Seattle, Washington, the Leamington Hotel and Apartments (constructed in 1916) was rehabilitated into the Pacific Hotel, which provides low-income housing consisting of one-bedroom and studio apartments, as well as single room occupancy units for the homeless.⁵⁵ A representative of a prestigious, neighboring club called the residents of the Pacific Hotel “welcome neighbors” and the hotel itself “a classic case of metamorphosis—from caterpillar to butterfly.”⁵⁶ And across the United States, in West York, Pennsylvania, the William Shelly School and Annex (constructed in the early 1900s) was rehabilitated into the Shelly School Apartments, providing low-

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* at 5-6.

⁵² Claire Kelly, *Case Studies in Affordable Housing Through Historic Preservation: Van Allen Apartments, Clinton, Iowa* 1-2 (2006), available at <http://www.cr.nps.gov/tps/tax-incentives/taxdocs/Affordable-Housing-Van-Allen.pdf>.

⁵³ This project had total development costs of \$11,691,725 and received a 20 percent HRTC and a 9 percent LIHTC. Charles Fisher, *Case Studies in Affordable Housing Through Historic Preservation: Northern Hotel, Fort Collins, Colorado* 1, 5 (2006), available at <http://www.cr.nps.gov/tps/tax-incentives/taxdocs/Affordable-Housing-Northern-Hotel.pdf>.

⁵⁴ *Id.*

⁵⁵ This project had total development costs of \$8,534,694 and received a 20 percent HRTC and a 9 percent LIHTC. Aleca Sullivan, *Case Studies in Affordable Housing Through Historic Preservation: Pacific Hotel, Seattle, Washington* 1, 5 (1998), available at <http://www2.cr.nps.gov/tps/tax-incentives/taxdocs/Affordable-Housing-Pacific-Hotel.pdf>.

⁵⁶ *Id.*

income individuals with public housing.⁵⁷ The Shelly School Apartments were fully leased only two weeks after opening, and management continues to maintain a waiting list.⁵⁸ Without the financial incentive created by combining the LIHTC with the HRTC, it is likely that the aforementioned historic properties would have remained derelict and abandoned.

D. Economic Impacts of Tax Credits and Potential Funding Source

The LIHTC and the HRTC wield substantial economic benefits. Wide-ranging research on the effects of the LIHTC and the HRTC at both federal and state levels reveals that these tax credits are powerful economic drivers that create jobs, generate billions of dollars in income, attract tourism, revitalize historic urban areas, assist sustainable urban growth, and provide substantially more government revenue than was spent in tax allocations while producing eNTICING INCENTIVES FOR PRIVATE investment in public housing in historic structures.⁵⁹ Concerns that tax credits inexorably lead to gentrification—

⁵⁷ This project had total development costs of \$1,883,860 and received a 20 percent HRTC and a 9 percent LIHTC. Bonnie Wilkinson Mark, *Case Studies in Affordable Housing Through Historic Preservation: Shelly School Apartments, West York, Pennsylvania* 1, 7 (2005), available at <http://www.nps.gov/tps/tax-incentives/taxdocs/Affordable-Housing-Shelly-School.pdf>.

⁵⁸ *Id.* at 8.

⁵⁹ For research on the Low Income Housing Tax Credit, see National Association of Home Builders, *The Low Income Housing Tax Credit: The Most Successful Affordable Rental Housing Production Program in our Nation's History* (2012), available at https://www.nahb.org/fileUpload_details.aspx?contentID=151606; Ohio Housing Finance Agency, *The Economic Impact of the Federal Low Income Housing Tax Credit Program in Ohio* (2013), available at <https://www.ohiohome.org/research/documents/HTC-Ohio-EconomicImpact.pdf>; Anne Sweaney et al., *The Economic Impact of Low-Income Housing Tax Credits in Georgia* (2006), available at <http://www.gahcoalition.org/content/articles/157/LIHTC%20Final%20report%20060206.pdf>.

For research on the Historic Rehabilitation Tax Credit, see NATIONAL PARK SERVICE, U.S. DEPT. OF INTERIOR, ANNUAL REPORT ON THE ECONOMIC IMPACT OF THE FEDERAL HISTORIC TAX CREDIT FOR FY 2012 (2012), available at <http://www.nps.gov/tps/tax-incentives/taxdocs/exec-summary-economic-impact-for-2012.pdf>; Donovan Rypkema et al., *Measuring Economic Impacts of Historic Preservation* (2nd ed. 2013), available at <http://www.achp.gov/docs/Economic%20Impacts%20v5-FINAL.pdf>; Donovan Rypkema & Caroline Cheong, *Profits Through Preservation: The Economic Impact of Historic Preservation in Utah* (2012), available at http://www.utahheritagefoundation.com/images/Executive_Summary_FINAL.pdf; Donovan Rypkema & Caroline Cheong, *Investment in Connecticut: The Economic Benefits of Historic Preservation* (2011), available at [http://www.cultureandtourism.org/cct/lib/cct/Economic_Impact_Study_\(Final_6-2011\).pdf](http://www.cultureandtourism.org/cct/lib/cct/Economic_Impact_Study_(Final_6-2011).pdf); Donovan Rypkema & Caroline Cheong, *Good News in Tough Times: Historic Preservation and*

resulting in decline of social mix—may be allayed by following the example of Cuenca, Ecuador. Cuenca officials instituted tax credits as well as socio-economic policies designed to provide public housing in historic properties while maintaining the “social function” of heritage-class buildings.⁶⁰

But given the current economic malaise plaguing Spain, where can Catalan officials look to seed money to finance such tax credits? There is no easy answer to this question. On one hand, providing public housing in historic properties requires a shift in political attitude at all levels of government. Yet even well-meaning Catalan officials cannot jumpstart a tax credit program from a lean or empty purse. International funds are needed to adequately fund historic rehabilitations at scale. Barcelona should look to the European Union (EU) for assistance. Between 2007 and 2013, the European Regional Development Fund allocated nearly €6 billion from the EU structural and investment funds for the “protection and preservation of cultural heritage” and for the “development of cultural infrastructure” and cultural services.⁶¹ For the 2014-2020 period, EU “cultural heritage investments are possible under the specific regulations of cohesion policy, whose overall budget is €325 billion.”⁶² There is even a readily available EU policy handbook describing how to strategically use EU funds for cultural development endeavors.⁶³ If Barcelona galvanized enough support to host the Summer Olympics in 1992, it can leverage its status as one of the EU’s most iconic and cultural Mediterranean cities to secure a slice of available EU funds to provide public housing in some of its historic properties.

II. Adaptive Reuse of Historic Structures for Public Housing

the Georgia Economy (2010), available at <http://georgiashpo.org/incentives/development>; Timothy McLendon et al., *Economic Impacts of Historic Preservation in Florida: Update, 2010* (2010), available at http://www.law.ufl.edu/pdf/academics/centers-clinics/centers/executive_summary_2010.pdf.

⁶⁰ UNESCO, *supra* note 21, at 58.

⁶¹ EUROPEAN COMMISSION FOR EDUCATION, CULTURE, MULTILINGUALISM, AND YOUTH, MAPPING OF CULTURAL HERITAGE ACTIONS IN EUROPEAN UNION POLICIES, PROGRAMMES AND ACTIVITIES 10 (2014), available at http://ec.europa.eu/culture/library/reports/2014-heritage-mapping_en.pdf.

⁶² *Id.*

⁶³ WORKING GROUP OF EU MEMBER STATES EXPERTS ON CULTURAL AND CREATIVE INDUSTRIES, POLICY HANDBOOK ON HOW TO STRATEGICALLY USE THE EU SUPPORT PROGRAMMES, INCLUDING STRUCTURAL FUNDS, TO FOSTER THE POTENTIAL OF CULTURE FOR LOCAL, REGIONAL AND NATIONAL DEVELOPMENT AND THE SPILL-OVER EFFECTS ON THE WIDER ECONOMY (April 2012) available at http://ec.europa.eu/culture/library/publications/cci-policy-handbook_en.pdf.

Barcelona should also think creatively about how its myriad of historic structures may serve public housing goals. Providing a new use in an existing structure (adaptive reuse) is an ancient practice.⁶⁴ Given the lack of affordable housing for low-income individuals in historic urban centers (where the poor often work), many cities have reclaimed historic, centrally-located properties for public housing to preserve social mix and combat gentrification. In Rome, the guardrooms of the 3rd century Aurelian walls have been converted into artist studios, and a medieval monastery now houses a college dormitory.⁶⁵ In New York City, historic theaters, churches, power stations, office buildings, schools, government buildings and even parking garages have been converted into housing, portions of which are earmarked for low-income residents.⁶⁶

Likewise, Barcelona contains numerous historic buildings waiting to be refashioned into public housing. Adapting *La Plaza Monumental*, Barcelona's enormous, century-old, dormant, bullfighting ring, for public housing would be ideal; unless it is first transformed into Europe's largest mosque.⁶⁷ Rather than focus on adaptive reuse of Barcelona's well-known historic buildings, this section will concentrate on four lesser known adaptive reuse strategies.

A. Historic Industrial Buildings

Barcelona's historic industrial buildings contain immense potential to serve the city's public housing needs. Barcelona, one of the most important ports in Europe, has a strong industrial legacy spanning several centuries.⁶⁸ By 1850,

⁶⁴ For instance, the Tower of London, originally built by William the Conqueror for political and defensive purposes and expanded by succeeding British sovereigns, later housed the royal menagerie. See DANIEL HAHN, *THE TOWER MENAGERIE: THE AMAZING TRUE STORY OF THE ROYAL COLLECTION OF WILD BEASTS* (2004).

⁶⁵ ANTHONY TUNG, *PRESERVING THE WORLD'S GREAT CITIES: THE DESTRUCTION AND RENEWAL OF THE HISTORIC METROPOLIS*, 67 (2001).

⁶⁶ C.J. Hughes, *Buildings With a Past: Creating New York Apartments From Unlikely Buildings*, N.Y. TIMES (July 4, 2014).

⁶⁷ See Ashifa Kassam, *Barcelona bullfighting ring may become Europe's largest mosque*, THE GUARDIAN (June 25, 2014) available at <http://www.theguardian.com/world/2014/jun/25/barcelona-bullfighting-ring-mosque-plan>; Lucy Crossley, *Last bullfighting ring in Barcelona could become Europe's largest mosque—just blocks from La Sagrada Familia*, DAILY MAIL MAILONLINE (June 25, 2014) available at <http://www.dailymail.co.uk/news/article-2669769/Last-bullfighting-ring-Barcelona-Europes-largest-mosque-just-blocks-La-Sagrada-Familia.html>

⁶⁸ See e.g., JAMES THOMSON, *THE ORIGINS OF INDUSTRIALISATION IN CATALONIA: COTTON IN BARCELONA 1728-1832* (1994).

Catalonia was the fourth largest textile producer in the world.⁶⁹ However, modernization led many industries, including textiles, to close their factories, leaving “industrial wastelands.”⁷⁰ Recently, the Spanish Ministry of Education, Culture, and Sport through the Heritage Institute of Spain (*Instituto del Patrimonio Cultural de España*) released a National Plan for Industrial Heritage, providing frameworks for identifying, cataloguing, preserving, and assessing risks to Spain’s industrial heritage.⁷¹ The City History Museum of Barcelona is also conducting a GIS-based inventory of the industrial heritage of Barcelona to catalogue all historic industrial sites in the Catalan capital.⁷² And developers and architects have already taken affirmative steps to convert several historic buildings from the Sedó colony of Esparreguera—one of Catalonia’s best preserved 19th century textile industry complexes, located 40 kilometers northwest of downtown Barcelona—into public housing.⁷³

Soon, Barcelona will boast a digital, searchable record of all of the historic warehouses, factories, and industrial sites in the city. Many of these abandoned or underutilized historic industrial structures, particularly in the Poblenou and Sant Andreu neighborhoods, offer excellent public housing prospects in close proximity to public transportation and the city center. Some of these historic industrial buildings have already drawn the attention of squatters (*Okupa*), the topic of the next adaptive reuse strategy.⁷⁴

⁶⁹ Mercedes Tatjer, *La industria en Barcelona (1832-1992). Factores de localización y transformación en las áreas fabriles: del centro histórico a la región metropolitana*, SCRIPTA NOVA, vol. X, no. 218 (46) (1 August 2006), available at <http://www.ub.edu/geocrit/sn/sn-218-46.htm>.

⁷⁰ See Barcelona Field Studies Center, “Barcelona (Industry),” available at <http://geographyfieldwork.com/barcelona/industry.htm>.

⁷¹ HERITAGE INSTITUTE OF SPAIN, NATIONAL PLAN FOR INDUSTRIAL HERITAGE (March, 2011), available at http://ipce.mcu.es/pdfs/PN_PATRIMONIO_INDUSTRIAL_EN.pdf

⁷² James Douet, *GIS Inventories: Mapping the Industrialisation of Barcelona* (2013) available at https://www.academia.edu/3523456/GIS_INVENTORIES_MAPPING_THE_INDUSTRIALISATION_OF_BARCELONA; Cities around the world are creating GIS-based inventories of tangible historic resources. See Ryan Rowberry, *Anchoring Memory in the Face of Disaster: Technology and Istanbul’s Cultural Heritage Preservation Regime*, 8 BAHÇEŞEHİR UNIVERSITY LAW REVIEW 195-206 (2014); The Getty Conservation Institute, *Conservation Perspectives—The GCI Newsletter: Heritage Inventories* (Fall 2013); In fact, the Getty Conservation Institute and the World Monuments Fund recently released ARCHES—a free, online, open-source, GIS based, customizable database for immovable cultural heritage designed to international standards. See <http://www.archesproject.org> (last accessed Nov. 3, 2014).

⁷³ Estudi, Marchi, and Franch, “Strategic Plan for the Sedó Colony, Esparreguera” available at http://www.emf.cat/new/index.php?op=detall_projecte&id=104&ca=7&idioma=eng.

⁷⁴ See STEPHEN VILASECA, BARCELONAN OKUPAS: SQUATTER POWER! 55 (2013).

B. Adaptive Reuse Agreements and Occupied Historic Buildings

The robust *Okupa* (squatter) movement in Barcelona signifies the demand for affordable housing. High rent and difficulty finding employment has led to squatters, typically young single adults or young families, taking empty bank-owned property and using it without permission.⁷⁵ Barcelona's *Okupa* often gather in self-organizing social centers, some of which are located in abandoned historic structures. For example, Can Masdeu, located in Collserola Park on the outskirts of Barcelona, is a former leper hospital that was abandoned for over 40 years when squatters began ongoing occupation in 2001.⁷⁶ Similarly, Can Vies, a 19th century structure in the centrally-located Sants neighborhood, is owned by the Barcelona transport authorities and has been occupied since 1997. Recent multi-day riots that ended in a standoff between police and *Okupa* at Can Vies over the government's plan to forcibly evict the squatters, demolish the building, and turn the lot into a park are instructive.⁷⁷

While no formal agreement between the Can Vies *Okupa* and the government has been reached, the ferocity of the riots strongly suggests that Barcelona should fashion an adaptive reuse housing agreement with squatters located in historic and non-historic buildings for several reasons. The first reason is public safety: Can Vies is just one of hundreds of occupied buildings in Barcelona, and the riots there have probably encouraged other squatters to forcefully resist evictions.⁷⁸ Second, *Okupa* have garnered significant public sympathy—rents in Barcelona are astronomical, jobs are scarce, banks are viewed as greedy and grasping, and squatters have often taken vacant properties and transformed them into community centers, forging close ties to the neighborhood.⁷⁹ Third, the squatters' constitutional claim to housing appears to

⁷⁵ See Regina Bryan, *No Place Like Home—Squatters Dilemma in Barcelona*, BARCELONA METROPOLITAN (Mar. 30, 2012) available at <http://www.barcelona-metropolitan.com/living/no-place-like-home---squatters-dilemma-in-barcelona/>; Leon Lazaroff, *Squatters' Movement Surges in Barcelona*, L.A. TIMES (June 29, 1997) available at http://articles.latimes.com/1997-06-29/news/mn-8231_1_squatter-movements.

⁷⁶ See Bain, *supra* note 14.

⁷⁷ See Bain, *supra* note 14; Govan, *supra* note 14; Minder, *supra* note 14.

⁷⁸ According to Jesus Rodriguez of *Directa* newspaper, himself a long-time squatter, in 2011 there were around 200 semi-official *Okupa* houses in Barcelona, and another 500 clandestine houses. See Regina Winkle-Bryan, *Occupy Barcelona* (Dec. 13, 2011) available at <http://www.shareable.net/blog/occupy-barcelona>.

⁷⁹ For example, the 20 squatters in Can Mas Deu focus on "green-activism," cultivating gardens and offering cultural workshops and lunches on Sunday to the public. See Regina Winkle-Bryan, *supra* note 92. See also E. Dee and Galvao Rodrigues, *People Power—The Inspiring*

have some legal merit. On its face, Article 47 of the Spanish Constitution tasks the government with the responsibility of housing its poor. When the government fails its obligations in this respect, peaceful self-help of civic assets for housing may be justified. Finally, *Okupa* and the government can share mutually-beneficial knowledge. Following the Can Vies riots, squatters began a crowd-funding campaign, quickly collecting €17,000 of the estimated €70,000 needed to rehabilitate the damaged historic building.⁸⁰ If the Catalan government can learn from the *Okupa* how to effectively tap into the public's inherent desire to fund cultural causes—like historic resource conservation—it can assuage fiscal pressure on government coffers, as the Louvre and the Musée d'Orsay have recently learned.⁸¹ In return, the government can assist the *Okupa* by ensuring that rehabilitations of historic occupied buildings meet safety regulations and building codes.

C. Underutilized Historic Government Buildings

Governments around the world possess vacant or underutilized historic buildings that can be adapted for public housing. In the United States, hundreds of historic federal post offices in urban areas are redundant or underused.⁸² Similarly, in the United Kingdom (UK) the central government owns “hundreds of other properties across the country which are under-used or lying vacant.”⁸³ The Catalan and Barcelona governments also own historic buildings in Barcelona that are likely underutilized and ripe for reuse as public housing. To more effectively use historic government buildings for public housing, the Catalan and Barcelona governments should follow the lead of the UK, which recently established a policy called the “Right to Contest.”

Example of Can Vies, UNITED EXPLANATIONS (July 3, 2014) available at <http://unitedexplanations.org/english/2014/07/03/people-power-the-inspiring-example-of-can-vies/>.

⁸⁰ See Dee and Rodrigues, *supra*, note 79; For additional examples of crowd-funding historic resources see John Marshall and Ryan Rowberry, *Urban Wreckage and Resiliency: Articulating a Practical Framework for Preserving, Reconstructing, and Building Cities* 50 IDAHO LAW REVIEW 76-78 (2014).

⁸¹ Doreen Carvajal, *More Paris Institutions Turn to Crowd-Funding*, N.Y. TIMES (Oct. 7, 2014).

⁸² See THE ADVISORY COUNCIL ON HISTORIC PRESERVATION, PRESERVING HISTORIC POST OFFICES: A REPORT TO CONGRESS (2014) available at <http://www.achp.gov/historicpostoffices.pdf>.

⁸³ Gov.UK, News Story, *Right to Contest: New Plan to speed up sale of public land and property*, GOV.UK (Jan. 8, 2014) available at <https://www.gov.uk/government/news/right-to-contest-new-plan-to-speed-up-sale-of-public-land-and-property>.

The “Right to Contest” provides a swift mechanism for anyone—businesses, NGOs, community groups, individuals—to seek the sale of surplus or redundant publicly owned land or buildings where they could be put to better economic use, such as housing.⁸⁴ Parties may also challenge central government buildings that are in use, as long as the building’s operations could feasibly be removed to a different location.⁸⁵ To contest the use of government property, historic or otherwise, applicants need to fill out an application form showing why the property in question is potentially surplus or redundant and offer supporting evidence (e.g., photographs, location plan or a description of the buildings involved). Once an application is submitted, the department holding the land will be asked if they agree to sell the site or to justify why it needs to keep the property.⁸⁶ If the department agrees to sell the property, the case is closed, and the property is released on the open market. Alternatively, if the department argues to keep a property, the matter is referred to a committee of governmental ministers to make a decision, typically within six weeks.⁸⁷ Since 2010, the UK central government has raised over £1 billion pounds by selling over 770 buildings (many of them historic), thus reducing its deficit while providing increased space and financing for numerous business and tens of thousands of housing units, including public housing.⁸⁸

D. Historic Subterranean Structures

While the three previous adaptive reuse strategies considered public housing in historic above-ground buildings, historic subterranean structures should also be marshaled as affordable residences. Much like Barcelona, affordable rental housing in Beijing, China is scarce. To address the housing shortage, Chinese policy for many decades encouraged subterranean residences in windowless, common basements and air defense shelters.⁸⁹ Although this

⁸⁴ Gov.UK, Guidance, *Right to Contest*, Gov.UK (Jan. 8, 2014) available at <https://www.gov.uk/right-to-contest>.

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ Gov. UK, News Story, *supra* note 83. Notably the UK government sold Admiralty Arch, an iconic gateway over the road leading to Buckingham Palace in 2012. Built in 1911, Admiralty Arch housed Navy and Ministry of Defence offices until 1994. It will be rehabilitated into a luxury hotel, while providing £700,000 towards affordable housing. See John Geoghegan, *Plans to turn London's Admiralty Arch into luxury hotel approved*, PLANNING RESOURCE (Aug. 21, 2013) available at <http://www.planningresource.co.uk/article/1208299/plans-turn-londons-admiralty-arch-luxury-hotel-approved>.

⁸⁹ Annette Kim, “Hidden City: Beijing’s Subterranean Housing Market,” LAND LINES, Lincoln Institute of Land Policy, 2-7 (Oct. 2014).

policy has recently been rescinded, there remain an estimated 1 million people living in subterranean apartments in Beijing, “where affordable housing near employment is scarce for the greater city’s 23 million inhabitants.”⁹⁰ Underground units have an average size of 9.75 square meters, usually house single people or couples without children, are rented on a temporary basis, and lie generally one kilometer (or less) away from a subway station, providing short commutes to economic opportunities.⁹¹ Amenities in some subterranean units include heat, surveillance cameras, security guards, and internet connections.⁹² While not ideal, underground housing meets the “highest priority for the lower-income, often migrant population” of Beijing: proximity to jobs and transportation that “makes the tradeoff of living underground worthwhile.”⁹³

Similar to Beijing, Barcelona has a range of historic subterranean structures that could be adapted for temporary-use public housing. During the Spanish Civil War (1936—1939), Barcelona was barraged by heavy bombing from Franco and his fascist allies. At this time, the Catalan government ordered hundreds of bomb shelters to be built to protect the public, many of which remain. Some of these shelters, like the *Refugi 307 in Poble Sec* (Bomb Shelter 307 in Poble Sec), have been rehabilitated as museums, but many lay abandoned under centrally-located parts of the city, like the Gracia neighborhood.⁹⁴ Adapting these shelters for public housing seems fitting, as they were originally designed to protect a vulnerable public and may do so again. Barcelona also boasts several abandoned, historic metro and rail stations—Correos, Gaudi, Fernando, Banco, Clot, Bifurcacio-Vilanova, and Baricentro—that can serve a public housing function.⁹⁵ Like Barcelona’s unused air raid shelters, these abandoned historic metro and rail stations are almost all located close to employment centers and transportation hubs, making them attractive for low-income residents. While I am not advocating that anyone spend an entire life underground, adapting Barcelona’s abundant, historic subterranean structures into public housing on a temporary-use basis would do much to alleviate the public housing shortfall in the city.

Conclusion

⁹⁰ *Id.* at 2.

⁹¹ *Id.* at 4-6.

⁹² *Id.* at 5.

⁹³ *Id.* at 6.

⁹⁴ See Paul Smith, *Bomb Shelters in Barcelona*, Local Nomad Blog (Sept. 26, 2012) available at <http://www.localnomad.com/en/blog/2012/09/26/bomb-shelters-in-barcelona/>.

⁹⁵ See Charles Bronson, *Barcelona Disused Stations*, Track Runners (April 2014) available at <http://www.trackrunners.net/stories/disused-stations/>.

Barcelona has long embraced innovation and risk-taking. It is not happenstance that Barcelona helped finance Columbus' naval expeditions, eventually receiving Europe's first news about a populated 'New World' in 1493.⁹⁶ Nor do Cerdà's groundbreaking urban vision or Gaudí's *La Sagrada Família* smack of comfortable conformism. Indeed, numerous, creative, experimental housing projects in Barcelona from the 1990s testify that Catalonia and its citizens possess an astounding capacity to rethink housing goals, forms, and policies.⁹⁷ Similar bold, thoughtful, inventive public housing policies are needed to solve Barcelona's public housing crisis.

Drawing on the experiences of other countries that have experienced (or are experiencing) acute public housing shortages, Barcelona should boldly leverage their historic properties to serve public housing goals.⁹⁸ Specifically, I recommend that Barcelona craft tax credits—like the LIHTC and the HRTC—that are designed to support private rehabilitation of historic properties that can provide affordable rents to low or moderate income families. Barcelona should also adapt many of its numerous historic properties—industrial sites, occupied buildings, redundant or surplus government buildings, and subterranean structures among them—into public housing. These two strategies alone will not solve Barcelona's public housing crisis, but they can play vital roles in a comprehensive public housing plan.

Speaking of Europe's cultural heritage, an EU Commission recently stated that it is an "irreplaceable repository of knowledge and a valuable resource for economic growth, employment and social cohesion."⁹⁹ Rehabilitating and adapting historic properties for public housing embodies this vision. Perhaps most critically, historic properties, which are usually located near central business districts and public transportation, serve the primary need of low-income residents: proximity to employment. Public housing in historic properties also fosters social mix, as these properties are typically situated in higher-rent areas. Finally, creating public housing in historic properties sends a powerful psychological message that Barcelona is including low-income

⁹⁶ See MAURICIO OBREGÓN, *THE COLUMBUS PAPERS*, 6-7 (1991).

⁹⁷ See GENERALITAT DE CATALUNYA, INSTITUT CATALÀ DEL SÒL, *supra* note 9, at 108-109.

⁹⁸ Amsterdam and Vienna are two excellent examples of European cities that have grappled with using historic properties for public housing. See TUNG, *supra* note 65, at 190-247.

⁹⁹ EUROPEAN COMMISSION, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF REGIONS: TOWARDS AN INTEGRATED APPROACH TO CULTURAL HERITAGE FOR EUROPE, COM(2014) 477, 1 (July 7, 2014).

residents in its historical and architectural narrative; it signals that they belong and are an indelible, important element to the urban story. Just as Catalonia's priceless cultural patrimony was once saved from the ravages of the Spanish Civil War by sheltering it in the 14th century royal monastery of *Santa Maria de Pedrables*, Barcelona's most essential cultural resource—its people—may likewise be saved by housing them in historic properties.¹⁰⁰

¹⁰⁰ AJUNTAMENT DE BARCELONA, CULTURAL PATRIMONY IN TIMES OF WAR: REIAL MONESTIR DE SANTA MARIA DE PEDRABLES, Exhibition Guide (Mar. 6—Dec. 8, 2014). *See also* www.bcn.cat/monestirpedrables/es/.